



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Owner of Tax Preparation Franchises in Illinois, Kansas and Missouri Sentenced to Prison for Tax Evasion**

The owner of a St. Louis, Missouri tax return preparation business was sentenced to 27 months in prison Friday following his conviction on two counts of tax evasion, announced Acting Deputy Assistant Attorney General Stuart M. Goldberg of the Justice Department's Tax Division.

According to court records, Semere Tsehaye, 39, was the owner and operator of at least 20 Instant Tax Service (ITS) franchise locations operating in Illinois, Kansas and Missouri from 2005 to 2011. ITS was a brand name of ITS Financial LLC, a nationwide tax preparation business headquartered in Dayton, Ohio. Tsehaye owned and operated his ITS franchise locations using two entities named A&S Tax Service LLC (A&S) and ERI Enterprises LLC (ERI).

"As the owner and operator of numerous tax return preparation businesses, Semere Tsehaye was clearly aware of his obligation to accurately report his income and expenses to the Internal Revenue Service (IRS), and yet ignored his responsibilities in an effort to cheat the system," said Acting Deputy Assistant Attorney General Goldberg. "Tsehaye's sentence makes clear that those who seek to evade paying their fair share will face severe consequences for their criminal conduct."

"Mr. Tsehaye's attempt to evade tax by hiding income and filing false returns was a theft from the American public," said Special Agent in Charge Karl Stiften of IRS Criminal Investigation (CI), St. Louis Field Office. "Tax evasion of this magnitude with this degree of dishonesty and deceit deserves to be punished and Mr. Tsehaye will now pay the price for his crimes."

Court records show that during the years 2010 and 2011, Tsehaye generated fraudulent financial summaries that understated the gross receipts generated by A&S and ERI and provided them to his tax return preparer. Tsehaye's tax return preparer used these financial summaries to prepare Tsehaye's individual income tax returns, which Tsehaye then filed with the IRS. These tax returns were false in that they underreported A&S and ERI's gross receipts by a total of approximately \$547,895 in 2010 and \$1.03 million in 2011, and resulted in Tsehaye evading a total of approximately \$581,264 in tax due and owing.

On Oct. 4, Tsehaye was convicted of two counts of tax evasion by a federal jury sitting in St. Louis, Missouri. In addition to the term of prison imposed, Tsehaye was ordered to serve three years of supervised release and to pay \$298,178 in restitution to the IRS.

Acting Deputy Assistant Attorney General Goldberg commended special agents of IRS-CI, who conducted the investigation, and Senior Litigation Counsel Corey Smith and Trial Attorney Mark McDonald of the Tax Division, who prosecuted the case. Acting Deputy Assistant Attorney General Goldberg also thanked the U.S. Attorney's Office for the Eastern District of Missouri for their substantial assistance.

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